



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3703**

June 10, 2004

Dear Administrator Natsios:

I was struck by your testimony before the House Appropriations Foreign Operations Subcommittee on April 1, 2004 that, "America is now threatened less by conquering states than by failing ones." I believe the evidence is clear that we are threatened by failing cities, as well as failing states.

Within the next 25 years, 2.5 billion people will move to cities throughout the world. Ninety five percent of this movement will occur in developing nations, putting a greater strain on natural resources, health and education infrastructures, economic capacity, and stability of these nations and the entire world.

Yet the leadership of the United States to deal with these issues is in question, specifically the future of USAID's Urban Programs Office. Since 1993, funding for the Urban Programs Office has dropped from \$8 million to \$2.35 million, staff levels have been cut from 33 to 12, and the 13 Regional Urban Development Offices have been eliminated.

In the CIA's Outlook 2015 report, rapid urbanization was ranked as one of the top seven security concerns. "The explosive growth of cities in the developing countries," the report concludes, "will test the capacity of governments to stimulate the investment required to generate jobs, and provide the services, infrastructure, and social supports necessary to sustain livable and sustainable environments. Cities will be sources of crime and instability as ethnic and religious differences exacerbate the competition for ever scarcer jobs and resources."

I am worried that, as USAID works to decentralize and integrate its urban programs into the core objectives of country-level Missions, the need for a proactive, multi-faceted plan to address growing urban challenges will not be met. The existence of a few programs that affect urban concerns does not sufficiently address urban issues in the comprehensive way needed. With the responsibility for urban issues being devolved to the country level, I am interested in the steps being taken to ensure that necessary resources, expertise, and planning can effectively help make cities work.

Your consideration of and timely response to the following questions would be much appreciated in order to better understand how we on the House International Relations Committee can work to promote progress in this critical area:

- At both the Agency and Mission levels, who is responsible for ensuring that urban programs are designed in a proactive and comprehensive way to address the breadth of urban needs?
- With the decentralization of urban programs, how is USAID ensuring that these efforts are receiving the necessary resources, training, and funding?
- In what countries is USAID most able to make an impact in addressing the development needs of cities?
- USAID's report, "Urban Profile of USAID Obligations: Agency Summary, FY 2002" concludes that "the level of Agency investment in [Urban Development for the Poor]... does not reflect the growing needs of the urban poor.... Greater emphasis needs to be placed on integrated urban management...." and, "The Agency is not sufficiently positioned to achieve its larger development objectives without directing greater programmatic attention and resources on the growing concentration of urban poverty." What steps has USAID taken in response to these conclusions?
- What legislative action would be useful to improve the effectiveness of urban programs in line with USAID's January 2004 White Paper and discussed shift in approach to development?

I look forward to your response and to working with you to assist in your important mission.

Sincerely,



Earl Blumenauer  
Member of Congress

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cc: Chairman Henry Hyde  
Ranking Member Tom Lantos